

Current Conditions, Future Choices:

A Community Guide to Sunnyvale



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**Prepared by the Sunnyvale Community Development
Department as part of the Community Visioning
Program.**

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Introduction: The Visioning Process

This report, *A Community Guide to Sunnyvale*, describes Sunnyvale's history, its present conditions, and the issues and opportunities which it may face in the future. *A Community Guide to Sunnyvale* will help the City, residents and businesses create a long-range community vision. This vision will ultimately guide preparation of the Community Vision Element of the City's General Plan, which determines how the City may change in the coming years. As part of the General Plan, the community vision will help decision-makers guide the City toward its desired long-term future. Reading *A Community Guide to Sunnyvale* will help every member of the community—residents, businesses, and City staff—participate in an informed manner in the visioning process and contribute to the future of Sunnyvale.

This short compilation of information and trends looks at the City today in the context of its own history, other Silicon Valley cities, the Bay Area and the State. It provides a base level of shared information—facts to build on and future choices to consider. It asks questions, but does not offer the answers; they will come during the next few months as the community discusses and prioritizes actions and policies the City should undertake.

Community members will be invited to join in the dialogue during small neighborhood workshops held throughout the City in October 2006. The visioning process will culminate with a City-wide Community Vision Festival on October 28, 2006. The entire community is invited to participate in this major event at the Community Center to craft a shared vision of the future.

A Community Guide to Sunnyvale is organized as follows:

Introduction: The Visioning Process

Chapter I: Sunnyvale's History

Chapter II: Current Community Conditions

- *Demographics: Who We Are*
- *Economy: What Drives the City*
- *Physical Environment: How We Live*
- *Public Services: Our Shared Governance*

Chapter III: The Future – Challenges and Opportunities

Chapter I: Sunnyvale's History

To envision Sunnyvale's future, it is helpful to reflect a little on Sunnyvale's history. For thousands of years, a peaceful Ohlone Indian village called Posolmi was located near what is now the Moffett Federal Airfield site. Spanish explorers built Mission Santa Clara near here in 1777, the first California mission to be named for a woman. With the Mexican Revolution of 1821, a portion of the land that is now Sunnyvale was given to Estrada and Inez Castro as part of a Mexican land grant. They formed Rancho Pastoria de las Borregas (Pasture of the Sheep Ranch). Missouri settler Martin Murphy Jr. purchased the Rancho land in 1850 and established a wheat farm on Sunnyvale's fertile soil. By the 1870s, fruit orchards had replaced wheat, and fruit canneries opened near the railroad line.

Beginning at the turn of the century, Sunnyvale has experienced nearly constant change, growth, and innovation. Its economy evolved from agriculture to manufacturing with the arrival of Hendy Ironworks and the Libby cannery in 1906. Incorporated as a City in 1912, Sunnyvale then had just 1,800 residents. After much discussion about the new city's name, the story goes, a local builder shaded his eyes on yet another sunny day and said, "Let's call this Sunnyvale!" Figure 1-1 shows Sunnyvale's historical growth from 1912 to 2006.

In the 1940s, the Sunnyvale community showed great strength as it once again adapted its economy. The Naval Air Station Sunnyvale was built (now Moffett Federal Airfield) and Lockheed Martin became the City's largest employer. Defense was a central part of Sunnyvale's wartime economy. By 1950, farms and fields were increasingly replaced with homes, factories and offices as the population grew to 10,000. Families and businesses continued to flock to the City. By 1970, Sunnyvale had a population of 96,000.

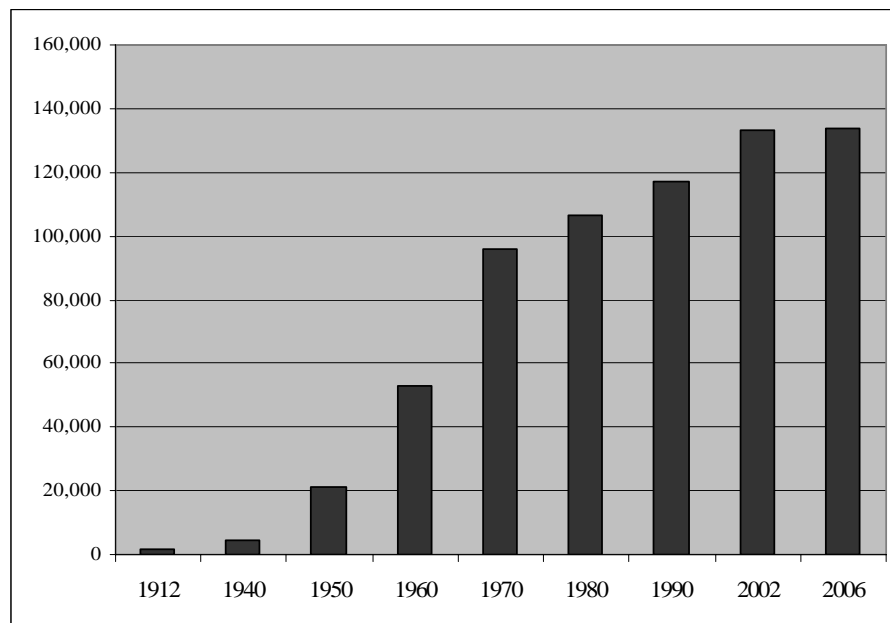
In the following 30 years, Sunnyvale's economy experienced yet another large shift, as high technology companies launched the Silicon Valley era. The federal downsizing of defense development and manufacturing resulted in a loss of defense and aerospace jobs, which were quickly replaced with jobs designing and manufacturing circuits and computers. These, in turn, gave way to more high-value and knowledge-based jobs in computer programming, administration, and sophisticated research and design functions. The City competed for and succeeded in attracting successful companies such as Network Appliance, Juniper Networks, and Yahoo! The Sunnyvale community

once again actively positioned itself as a fundamental player in the new economy, and has since played a vital role in Silicon Valley. The population grew by 14% in the booming 1990s, soaring to 131,800 by 2000.¹

Then came the high tech slow-down (2000–2004), with far slower rates of growth both economically and in the population. During the economic downturn Sunnyvale lost many of the jobs that were concentrated in high-tech companies.

But the community worked hard to rebound—and it has once again succeeded in adapting to and developing new industries, jobs and sources of revenue. New industrial processes, such as nanotechnology and biotechnology, have come to the forefront. The progressive, innovative spirit that characterized so much of the City's history is still very much a part of Sunnyvale today. It has helped Sunnyvale react positively to nearly constant change, development, and expansion. In 2006, the population is 133,544.² Today, Sunnyvale is on the cutting-edge of innovation and progress, still a central, essential part of Silicon Valley.

Figure 1-1 – Sunnyvale Population from 1912-2006



Source: U.S. Census

Chapter II: Current Community Conditions

This chapter describes Sunnyvale today. It talks about its people, its jobs, its physical development, and its City services. To give context and meaning to the numbers, this chapter compares Sunnyvale to other Silicon Valley cities, the Bay Area and the State. Data are drawn from various sources, primarily the 2000 U.S. Census, the 2003 Census Update, and various State and local sources. Every effort has been made to utilize the most up-to-date sources, resulting in some data as recent as 2006, but much from 2000.

Demographics: Who We Are

Population

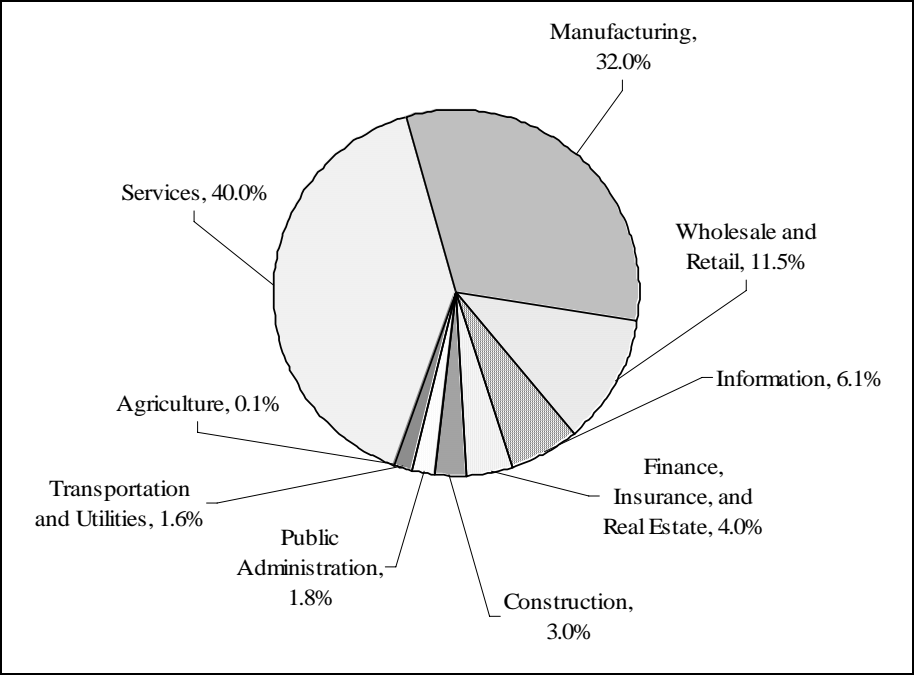
Sunnyvale is now the second largest city in Santa Clara County. In 2000, the population of Sunnyvale, at 131,000, was much smaller than San Jose (918,000), but bigger than Santa Clara (104,000), Mountain View (72,000) or Cupertino (51,000).³ The latest data show a January 1, 2006 population of 133,544 for Sunnyvale.⁴

Sunnyvale, like many of its Silicon Valley neighbors, experienced significant growth during the booming 1990s. In the ten years between 1990 and 2000, the City welcomed 16,000 new people, an increase of 14%.⁵ By comparison, Santa Clara County grew by 185,000 people during the same decade, an increase of 12%, and the Bay Area as a whole added 760,000 new residents, an increase of 12.6%. Sunnyvale's growth has leveled off since 2000 to a more moderate rate of growth.

Labor Force

In 1990, Sunnyvale had 70,900 employed residents; in 2000 the number was 75,153, a 6% increase. Figure 2-1 shows the labor force distribution for employed Sunnyvale residents (who may work in Sunnyvale or in nearby cities). Most employed residents work in the service sector, which includes high-value office and professional jobs,⁶ as well as more traditional service jobs.

Figure 2-1 – Sunnyvale Labor Force Distribution



Source: US Census Bureau, 2000 Census

As of February 2006, the unemployment rate for Sunnyvale residents was 4.2%, lower than rates in both Santa Clara County (5.0%) and California (5.4%). Figure 2-2 shows the unemployment rate for Sunnyvale residents, from 2000 to 2006, in the context of nearby counties and the State.

Figure 2-2 – Historical Unemployment Rate

City/County	2000	2001	2002	2003	2004	2005	2006 ⁽¹⁾
California	5.0%	5.4%	6.7%	6.8%	6.2%	5.4%	5.4%
Alameda County	3.6%	4.8%	6.8%	7.0%	6.0%	5.2%	4.7%
Contra Costa County	3.6%	4.0%	5.7%	6.1%	5.4%	4.8%	4.5%
San Francisco	3.4%	5.1%	7.0%	6.9%	5.9%	5.1%	4.7%
Santa Clara County	3.1%	5.1%	8.5%	8.5%	6.6%	5.5%	5.0%
San Mateo County	2.9%	3.8%	5.7%	5.9%	5.0%	4.3%	4.1%
Sunnyvale	2.6%	4.3%	7.2%	7.2%	5.6%	4.6%	4.2%

(1) As of February of 2006, the latest month for which the data was available

Source: California Employment Development Department in “Sunnyvale Workspace Demand and Capacity Analysis.”

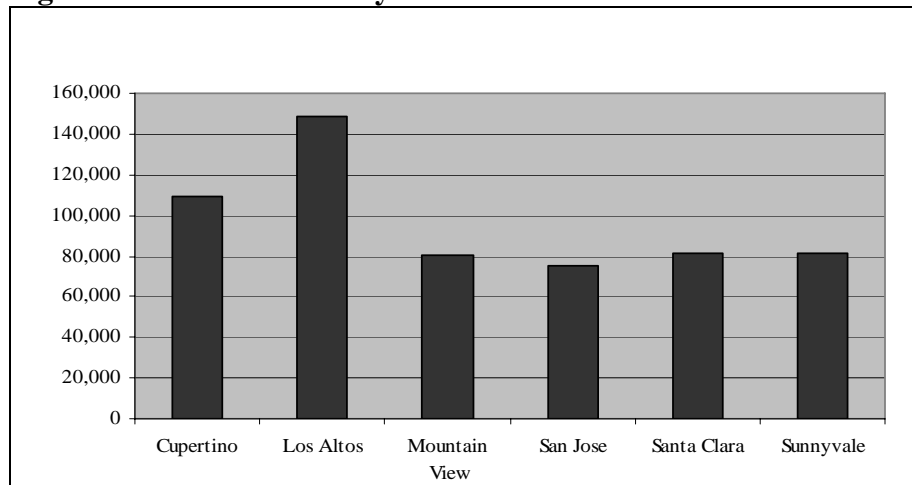
Unemployment rates for Sunnyvale residents were far lower than the State and county, even during the worst years of the economic slowdown.

Income

The median household income in Sunnyvale in 2000 was \$74,000, very similar to the Santa Clara County median income, and well above the median income of both the U.S. (\$42,000) and the State (\$47,500).⁸ Many households are in the middle- or upper-income range. About 77% of Asian or Pacific Islander households are in the middle or upper-middle category, as are 55% of Hispanic households.

Sunnyvale has a smaller percentage of people living below the poverty level (5.4%) compared to the County (7.5%) and is well below the nation as a whole (12%). High incomes are combined with a higher cost of living in the Bay Area than in other regions of the State and the nation. Sunnyvale residents spend over one-third of their incomes on housing. In 2004, 782 Sunnyvale residents received CalWORKs Assistance, 45 received general assistance, and 390 received food stamps. Nearly 40% of students in the Sunnyvale School District qualified for free lunches. Figure 2-3 shows median family income for Sunnyvale and neighboring cities.

Figure 2-3 – Median Family Income



Source: US Census Bureau, 2000 Census

Education

The overall education level of Sunnyvale residents is high and has been steadily increasing. The City's education levels are similar to Santa Clara County, although Sunnyvale has a slightly higher percentage of residents with a B.A. or graduate degree. Compared to the State, Sunnyvale has twice as many people with graduate degrees (21% compared to 9.5%). Sunnyvale residents are also more highly

educated than those in the U.S. as a whole—twice as many have a B.A. or higher.

Looking only at residents 25 and older, the majority of residents in Sunnyvale (67%) have some college education, 29% have a B.A., and 22% have a graduate or professional degree. In the last decade, the number of Sunnyvale residents with post-bachelor degrees increased from 12% to 22%. Some of⁹ this was due to educated immigrants recruited to fill high-tech jobs. The percentage of high school students who graduate is rising, and 70% of Sunnyvale students complete college preparatory courses, much higher than the State as a whole. Nonetheless, 10% of Sunnyvale residents 25 and older have less than a high school degree, and almost 35% of Sunnyvale students are learning English as a second language, a number that has grown over the past five years.

Age

Like many communities in California and the U.S., Sunnyvale's population is older than it used to be. The median age in the City in 1990 was 32.3, and by 2000 it was 34.3.¹⁰ The median age in Santa Clara County in 2000 was 34.0.¹¹ The elderly population grew by 1,900 between 1990 and 2000. In 2000, 10.6% of Sunnyvale's total population was comprised of seniors age 65 and older, less than the U.S. average of 12.4 percent.¹²

Between 1990 and 2000, the proportion of pre-school and school-age children in Sunnyvale slightly increased. That decade brought an additional 2,600 school-age children to the City. Nonetheless, only one¹³ in four families in Sunnyvale now has school-age children at home. Figure 2-4 shows the changes in the ages of Sunnyvale's population between 1990 and 2000.

Figure 2-4 – Age Characteristics of Sunnyvale’s Population

Age Group	1990		2000	
	Number	% of Total	Number	% of Total
Preschool (0-4 years)	7,538	6.4%	9,172	7.0%
School Age (5-17 years)	14,919	12.7%	17,535	13.3%
College Age (18-24 years)	11,794	10.1%	9,920	7.5%
Young Adults (25-44 years)	47,529	40.5%	55,241	41.9%
Middle Age (45-64 years)	23,258	19.8%	25,953	19.7%
Senior Adults (65+ years)	12,191	10.4%	14,084	10.7%
Total	117,229	100.0%	131,905	100.0%
Note: Total number of residents by age is based on Summary Tape File 3 data, which varies slightly from the total population count from Sunnyvale Tape File 1.				

The largest population gains since 1990 have been young adults.

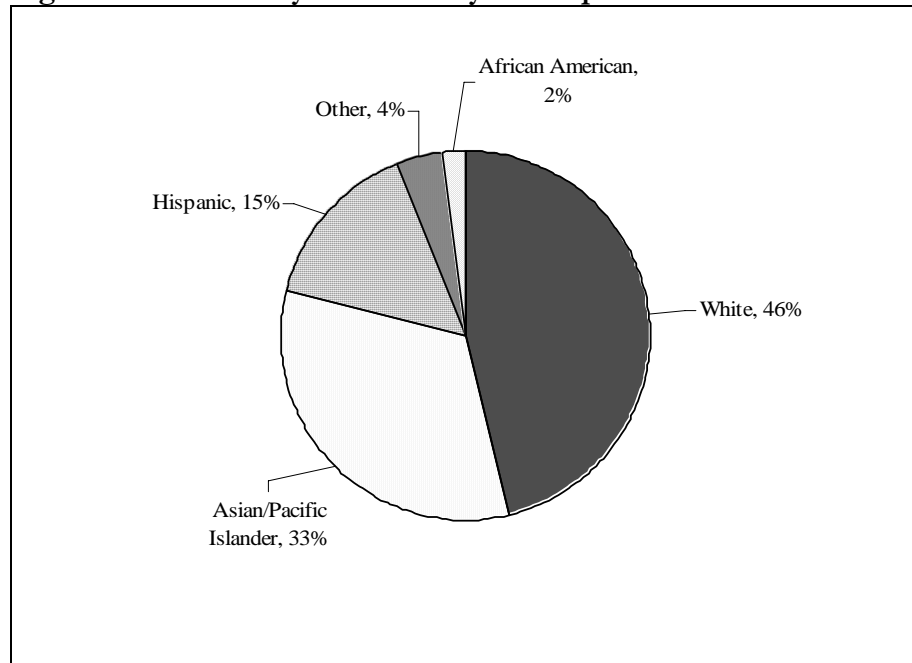
Source: US Census Bureau, 1990 and 2000 Census

Ethnicity

Sunnyvale’s trend toward diversity reflects the diversity of the Bay Area: the City is about 46% White (down from 65% in 1990), 33% Asian, 15% Hispanic, and 2% African-American. Today, Sunnyvale—like Santa Clara County, the Bay Area and California—has no single racial or ethnic majority. This is different from the U.S., which has an overwhelming 75% white majority.

Sunnyvale’s fastest growing ethnic populations have been Asian, a trend throughout the Bay Area.¹⁴ Between 1990 and 2000, the percentage of Asians in Sunnyvale increased from 19% to 33%. In fact, a significant difference between Sunnyvale and Santa Clara County is this City’s large community of Asian residents.¹⁵ The fastest growing part of the Asian population was from India.¹⁶ Another shift was in the Hispanic population, which grew from 13% in 1990 to 15% in 2000.¹⁶ Compared to the Bay Area as a whole, Sunnyvale also has fewer African-Americans. Figure 2-5 shows the ethnicity of Sunnyvale’s population.

Figure 2-5 – Ethnicity of the Sunnyvale Population



Source: City of Sunnyvale 2005-2010 Consolidated Plan, Chapter 3-2

Like California, Sunnyvale does not have a single majority racial or ethnic group.

According to the 2000 U.S. Census, 39% of Sunnyvale’s residents are foreign-born.¹⁷ Sunnyvale has almost exactly the same percentage of foreign-born residents as Santa Clara and San Mateo Counties. It has slightly more foreign-born residents than the Bay Area average, but almost four times more than the U.S. average of 11%.¹⁸ In 2000, of the 51,990 foreign-born residents, 37,635¹⁹ were not U.S. citizens, and the rest were naturalized U.S. citizens.

Nearly 50% of Sunnyvale’s households speak a language other than English as the primary language at home. This is primarily reflective of the high number of relatively highly educated foreign-born residents. In addition, many adults report that they speak English “not well” or “not at all.”²⁰

Fortune 1,000 Companies Headquartered in Sunnyvale

- Advanced Micro Devices
- Juniper Networks
- Maxim
- Network Appliance, Inc.
- Spansion
- Yahoo!, Inc.

Economy: What Drives The City?

Sunnyvale’s economy has a long history of reinventing itself to be at the forefront of economic change. Jobs in Sunnyvale have shifted from agriculture to manufacturing to aerospace and defense, to chips, to high tech and—in the 1990s—to the Internet, adapting as industries changed. The dramatic transformations of the past five years have proven once again that Sunnyvale can rapidly evolve by creating new

businesses and new jobs. The City survived the dot-com bust and emerged with major concentrations of jobs in high-tech industries (biomedical, semiconductor, computer and communications hardware, electronics, software, and industries employing nanotechnology) and innovative services like design, engineering, marketing and consulting.

Jobs in Sunnyvale

Silicon Valley experienced a sustained and significant decline in manufacturing jobs between 1980 and 2000, which was more than offset by strong growth in service jobs. Sunnyvale experienced a 7% net growth of jobs during this period despite a loss of 23,000 manufacturing and wholesale jobs.²¹ During the same period, the service sector experienced a 140% growth. Service jobs today are far different from just hospitality and food servers. Professional and business services include high-value and knowledge-based research, computer, math, architecture, scientific, design, engineering, marketing, consulting, and technical jobs. Much of the service sector growth occurred during the 1990s high-tech boom, when Sunnyvale became known as the Heart of Silicon Valley. It is estimated that the number of jobs in the City peaked in 1999-2000 at about 100,000.²² In a broad sense, this means that Sunnyvale's economy shifted from blue-collar jobs to white-collar jobs during the past 20 years.

The rapid increase in jobs in Silicon Valley came to an abrupt halt in 2000 with the economic downturn. Severe job losses were suffered throughout Silicon Valley, including Sunnyvale. It is estimated that by 2005 the number of jobs in the City had dropped nearly 25%, to 75,000²³. Sunnyvale has since experienced moderate job growth, the first increase in jobs since 2000.

Sunnyvale today is job-rich, with 1.21 jobs for every employed person who lives in Sunnyvale. This compares to the following jobs per employed resident of our neighboring cities: 1.62 in Mountain View, 2.22 in Santa Clara, and 1.47 in Cupertino. This means that all four cities need to import a significant number of their workers from other cities, and that Sunnyvale has the lowest import rate among the four neighboring cities. Some of these workers may be coming from San Jose, which has only 0.93 jobs per employed resident.²⁴

Major Employers

Sunnyvale's major industry clusters are software, hardware, innovation services, biomedical, and electronic components. Companies such as Yahoo!, Blue Coat Systems, Network Appliance,

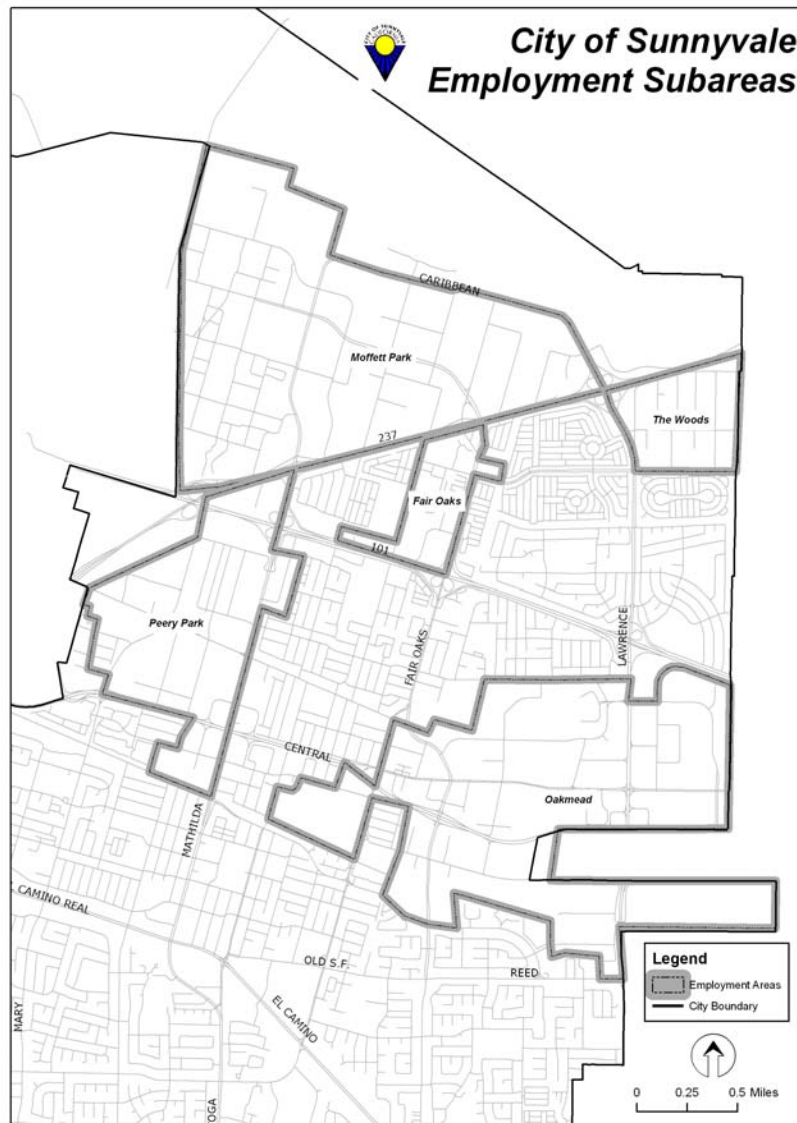
Other Major Employers

- *Advanced Technical Resources (headquarters)*
- *Affymetrix, Inc.*
- *Applied Signal Technologies (headquarters)*
- *Ariba, Inc. (headquarters)*
- *Blue Coat Systems, Inc. (headquarters)*
- *Camino Medical Group*
- *EX Electric*
- *Finisar Corporation*
- *Fujitsu Computer Systems (headquarters)*
- *Harmonic, Inc.*
- *Interwoven, Inc. (headquarters)*
- *Lockheed Martin Space Systems and Lockheed Martin Technical Operations*
- *Palm, Inc. (headquarters)*
- *Silicon Storage Technology (headquarters)*
- *Synopsys, Inc.*
- *West Valley Engineering Inc.*

Juniper Networks, biotech firms and small start-ups moved to Sunnyvale, prospered and expanded.

About 8,500 companies in Sunnyvale generate approximately \$2.45 billion in gross sales. Six Fortune 1,000 companies have headquarters in Sunnyvale. Four businesses employ more than 1,000 people each and the 20 largest private employers employ a total of 22,000 people. Sunnyvale has five major workforce concentrations: Moffett Park, The Woods, Fair Oaks, Peery Park, and Oakmead. Figure 2-6 shows the major employment areas in the City.

Figure 2-6 - Key Employment Areas



Source: Sunnyvale Workspace and Capacity Analysis

Retail Sales

Retail is one of the City's significant economic sectors, and many residents have asked for more retail opportunities. The top retail sales area is along El Camino Real. Significant retail sales are also posted in the Moffett Park and Oakmead industrial areas, where businesses sell their products to other businesses. In 2005, City businesses generated \$23.4 million in sales tax. This amounted to \$179 in sales tax per capita for the City in 2005, compared to \$182 for Mountain View, \$283 for Palo Alto, \$318 for Santa Clara, and \$157 for Santa Clara County as a whole.

The City has begun to redevelop the downtown retail area, the beginning of a multi-year project. Based on a recent survey, only 43% of residents perceive the downtown area as an attractive shopping district. Redevelopment plans aim to remake downtown Sunnyvale as the physical, commercial, and symbolic heart of the City. Goals include providing needed retail services for residents, increasing the retail sales tax base, increasing higher density housing near transit lines, and building a stronger sense of community.

El Camino Real is the main retail strip in the City, with a strong concentration of auto dealers, supermarkets, and major shopping centers. This corridor currently generates approximately 25% of the City's retail sales tax revenue. The City is currently updating the El Camino Real Precise Plan to strengthen this corridor as a provider of retail services and sales tax revenue.

The northern neighborhoods in Sunnyvale are underserved by community shopping centers, particularly supermarkets. Therefore, the City is also working to attract a supermarket and service retail businesses to the northern areas.

Recently, the City has focused on attracting large sales tax producers, such as Circuit City, Best Buy, PetSmart, and Lowe's. It has also reached out to ethnic businesses, co-hosting the Business Resource Fair with the Sunnyvale Chamber of Commerce and the Greater San Jose Hispanic Chamber of Commerce. Roundtables with the Mayor and ethnic business groups helped grow that partnership.

Commercial/Industrial Rent

In mid-2006, Sunnyvale has 9.7% vacant office workspace and 16.6% vacant research and development space. For industrial and warehouse space, vacancy rates are less than 10%. Rents are stabilizing. The average office rental rate is \$2.37 per square foot. The average R&D

rental rate is \$0.92 per square foot. For comparison, the average office rental rate²⁵ in Silicon Valley is \$2.27 and the average R&D rental rate is \$0.93.

Increasing Property Values

A good measure of the strength of the City's economic resurgence is a robust increase in assessed property value. The Santa Clara County value of homes, offices, manufacturing plants and business equipment grew 9.07% over last year (9.6% for land and buildings alone). In Sunnyvale, the property value growth of residential and commercial land and buildings topped 7%. Between 1997 and 2006 countywide growth has topped 9% only three times (the high was a 15% countywide increase in 2001). Growth in 2005 was mainly due to a roaring residential real estate market, driven by low interest rates. In 2006, growth has been more balanced, reflecting increases in commercial and industrial property as well.

Business-Friendly Atmosphere

Sunnyvale has a history of anticipating business needs and continually adjusting and adapting to bring new businesses to the City. The City is attractive to businesses because of its central location and large supply of highly qualified workers. Sunnyvale also has a positive business reputation—93% of businesses surveyed rated the City as a good place to do business.²⁶ The Economic Development Division works directly with businesses as the first link to the City government. The award-winning “One-Stop Permit Center” offers a 21-day plan check turnaround, with 90% of permits issued on the same day. The City works to establish timelines to meet “time-to-market” deadlines. Permit information is accessible online at the E-OneStop (www.e-onestop.net). And Sunnyvale also has one of the area's most competitive tax and fee rates, with excellent utility and municipal services at a low cost.

Physical Environment: How We Live

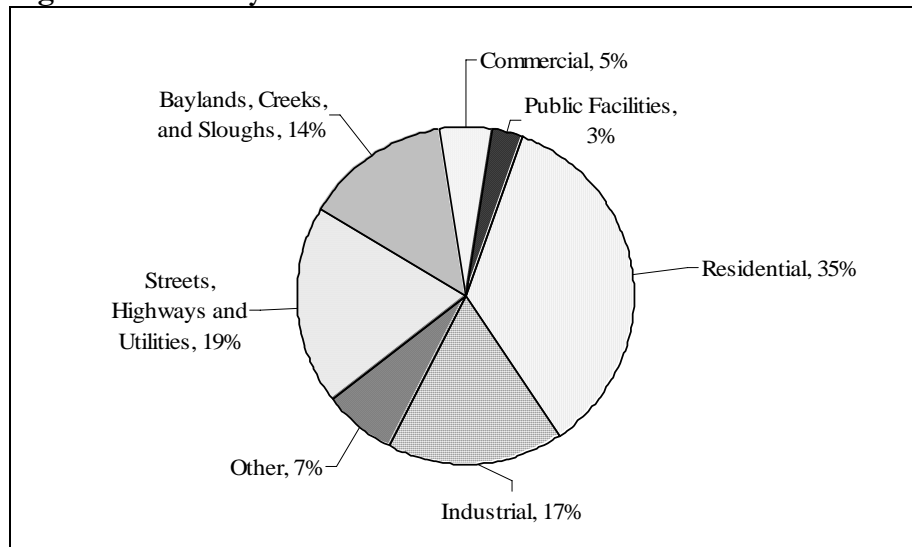
The City of Sunnyvale is in the flatlands of Northwest Santa Clara Valley. Less than an hour from the Pacific Ocean, it is 40 miles south of San Francisco, on the southern tip of the San Francisco Bay. The City encompasses 24 square miles and is almost entirely surrounded by the cities of Santa Clara, Cupertino, Los Altos, and Mountain View, generally between Calabazas Creek on the east and Steven's Creek on the west. It is between two major earthquake faults, the San Andreas

Fault approximately 14 miles to the west and the Hayward fault approximately 18 miles to the east. Sunnyvale has no geographically defining borders, except for the small portion that touches the southern tip of the San Francisco Bay.

As the center of Silicon Valley, primary resources such as the land, air basin, transportation, water supply, and housing stock are interconnected with those of the entire region. Sunnyvale is at the crossroads of four of the South Bay's major freeways and expressways, with three international airports nearby.

Sunnyvale is laid out with large land areas devoted to either residential or commercial uses (shown in Figure 2-8). The City is nearly fully developed; only 2% of land is vacant. About 40% of land is residential and most residential areas are less than one mile away from a commercial district. Public facilities such as City Hall, the library and the senior center account for about 15% of the total land; streets, highways and utilities comprise another 17%; and open space accounts for 14%. Figures 2-7 and 2-8 show how land is distributed in Sunnyvale.

Figure 2-7 – Sunnyvale Land Use Overview

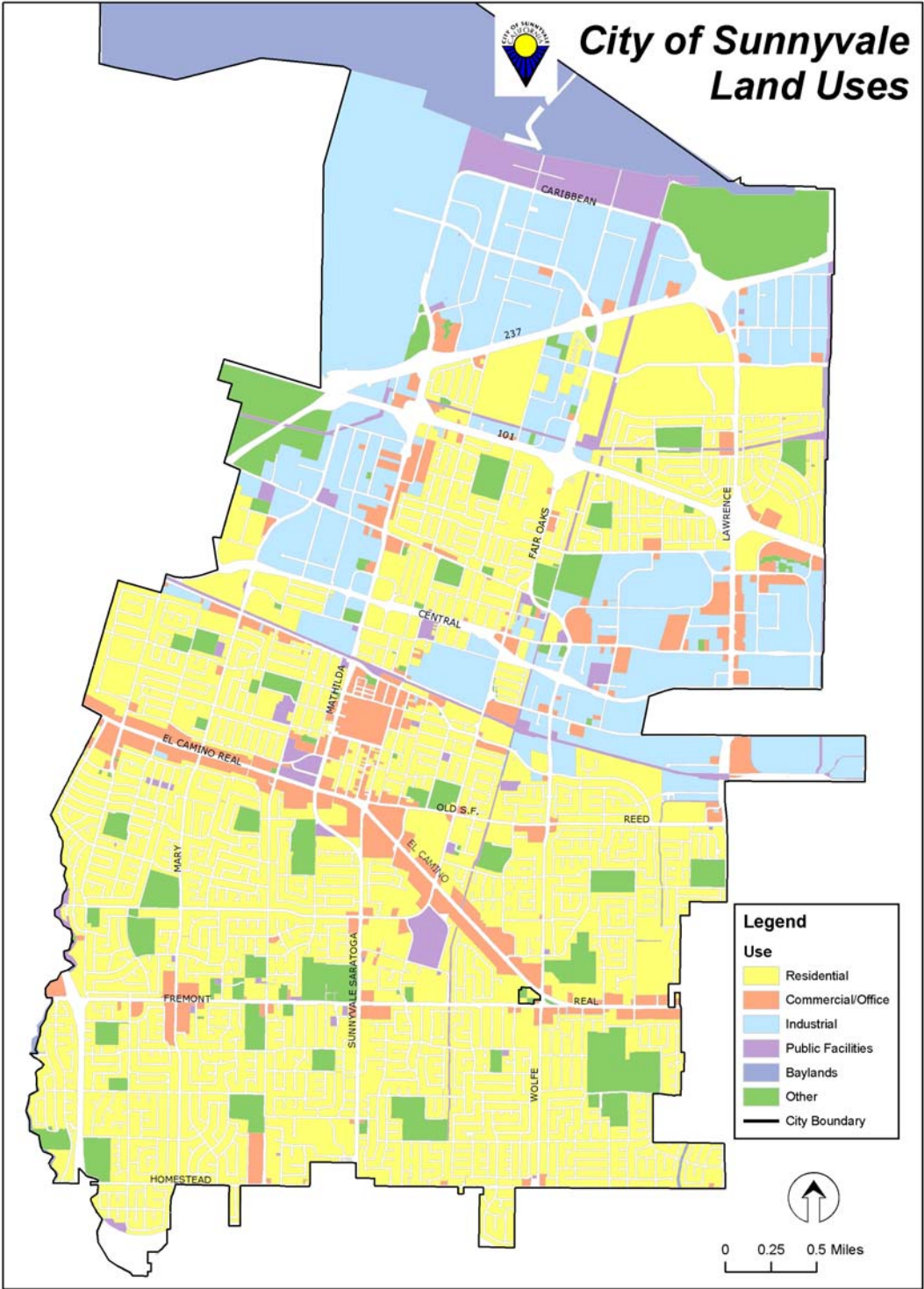


Residential areas account for the single largest land use in the City.

Source: City of Sunnyvale, Community Development Department

Figure 2-8 - Sunnyvale Land Uses

The City of Sunnyvale is fully developed; there is very little vacant land.

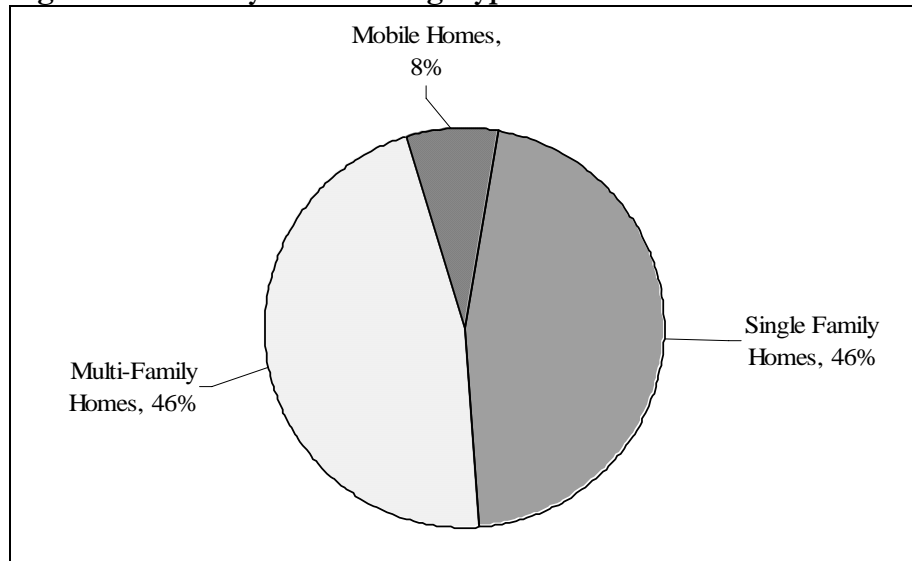


Source: City of Sunnyvale, Community Development Department

Housing

Sunnyvale now has 53,753 housing units (single family, condominiums, apartments and mobile homes), with 98% occupancy. Data from the 2000 Census shows that 46% of the City's housing is single-family (of these, 21,006 are single-family detached units, and 3,900 are attached townhome units). Another 46% is multi-family, and 7.5% is mobile homes. Figure 2-9 shows the types of housing units in Sunnyvale.

Figure 2-9 – Sunnyvale Housing Types



Sunnyvale has an equal amount of single-family and multi-family dwelling units.

Source: 2000 US Census

From 1999 to 2005, 2,460 new housing units were constructed in Sunnyvale. Of these units, 369 were reserved for very low, low, and moderate income households. A recent boom in the housing market has resulted in approval to build approximately 1,500 additional housing units, with applications for more units pending. Although about 73% of the units built between 1999 and 2002 were apartments, the trend since then has been toward ownership housing – 98% of the pending units are ownership. In addition, in 2005 and 2006, there was more interest in conversion of apartment buildings to condominium units. Approximately 250 apartment units have been converted or are pending for conversion to condominiums.

Of the total number of housing units, 27,500 (52%) are renter-occupied and 25,500 (48%) are owner-occupied. Sunnyvale residents have lived in their homes a long time, 43% have lived in the same house for more than 10 years. At the same time, the rate of homeownership in Sunnyvale dropped from 51% in 1980 to 47.6% in

2000²⁷ and it is lower than in Santa Clara County as a whole (61%) and the State (59%).²⁸

The 2004 median price of a home in Sunnyvale—including single family, townhouses and condos—was \$685,000, similar to neighboring cities and the Bay Area. Based on current income levels and current housing prices, fewer than 30% of Sunnyvale households can qualify to buy a median-priced home in the City.²⁹ The median rent for a 3-bedroom apartment in Sunnyvale in June 2006 was \$1,750 and the apartment vacancy rate was 3%.³⁰

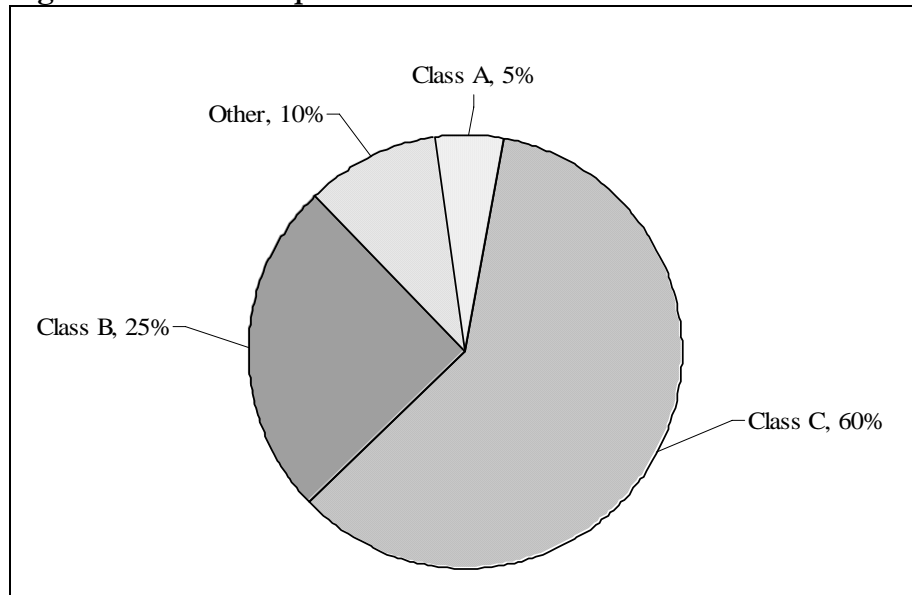
Although most of the City's housing stock is now in good repair, this varies from neighborhood to neighborhood. Nearly 90% of Sunnyvale's housing stock is more than 20 years old and only 6% of the housing is less than 10 years old.³¹ About 13% of all housing in Sunnyvale now needs reinvestment to maintain its long-term quality and livability.³²

Affordable Housing

About 4% of the City's housing stock, or 1,926 units, are considered affordable, with rent or sale prices controlled by the government to remain below market rate, usually for 20 years. About one-third of these units are set to convert back to market-rate housing within the next five years when price controls expire. The City has targeted preserving 52% of these "at risk" units as affordable and has aimed for at least 12% of all new units to be affordable.³³ Based on new guidelines established by the City Council, new affordable units will have controlled prices for 55 years.

Workspaces

About 15% of the land in Sunnyvale is devoted to industrial, office, and research and development space, which is further divided into Class A (17% of space), which is new or high-end and suitable for large company headquarters, down to Class C (49% of space), which is older, more affordable, and suitable for start-up and service industries. There has been no increase in Class A office space in the past two years. By comparison, the adjacent cities of Santa Clara, Milpitas and Mountain View have a much higher proportion of newer Class A space in their stock.³⁴ Recently, however, the Jay Paul Company has proposed development of a 1.7 million square foot speculative office project in Moffett Park, the largest Silicon Valley office development in six years. Figure 2-10 shows the percentage of each type of industrial office and research and development space currently in Sunnyvale.

Figure 2-10 - Office Space Classification

Source: City of Sunnyvale, Community Development Strategy

The City has planned to concentrate new industrial, office, and research and development uses into specific areas:

- **Moffett Park:** Because Moffett Park is ideally located in the heart of Silicon Valley, and close to major freeways and public transportation, the City plans to intensify development in the area. Planned development includes 8.7 million square feet of new office space in this prime industrial park. Much of it will be top-of-the line Class A office space, designed for emerging high-tech, research and development companies and corporate headquarters. This additional office space could attract the next wave of economic growth in Silicon Valley.³⁵
- **NASA Research Park:** The NASA Research Park, located between Sunnyvale and Mountain View, will include 4.2 million square feet of new construction and 56,000 square feet of historic renovation. NASA and Google are cooperating on several projects there, including large-scale data management and bio-info-nano convergence. Several universities including San Jose State, Santa Clara University, Stanford, and Carnegie Mellon West Coast already have space in the park.
- **Peery Park:** Peery Park is one of the older industrial areas in the City, but it is very well located. It is served by two major freeways and the Central Expressway. It is near the proposed new NASA

Research Park and the cluster of research and development facilities in the adjacent area of Mountain View. With the recent sale of the Peery-Arrillaga properties to the Irvine Company and RREEF, the City is working with the new property owners to develop a strategy to encourage reinvestment in this area.

Industrial to Residential

Sunnyvale was one of the first cities to recognize that as industry, research and development uses become more land intensive (i.e., multi-story buildings with less floor area per employee), land is freed up for other uses. As part of a program called “Industrial to Residential” (ITR), the City has encouraged redevelopment of specific industrial areas to residential use, while permitting higher intensity industrial development in other areas more suitable for long-term industrial uses. New housing near jobs encourages employees to take jobs in the City and helps local businesses recruit new employees. Areas currently designated ITR total 260 acres, and will accommodate up to 6,100 housing units.

Transportation

The City’s transportation is a mixed system of roads, public transit, and bike and pedestrian paths. Sunnyvale has about 300 miles of roadways, including major freeways, expressways, arterial streets, and neighborhood streets. In the north, the City is bisected by two east-west State Freeways, US-101 and SR-237, each with eight lanes, and the Central Expressway. Four north-south major arterials, expressways, or freeways cross the City: SR-85 (six lanes), the Mathilda Avenue/Sunnyvale-Saratoga Road corridor, Lawrence Expressway, and the Wolf Road/Fair Oaks Avenue corridor. The major east-west arterial street is El Camino Real, a State highway that has historically connected Sunnyvale with other communities along the Peninsula. These roadways are vital to community and regional transit, although they also separate one area of the city from another.

Sunnyvale’s roads can handle today’s traffic flow; residents do not point to traffic as a major concern and most of the City’s transportation infrastructure is in excellent shape. The City is already planning for substantial long-term improvements to ensure capacity during the next 40 years.

Transit

The City actively encourages use of the existing substantial transit system, which currently serves only 3% of the daily commute trips in

Sunnyvale.³⁶ Almost all residents have transit access within walking distance of their homes, and the capacity for future growth is in place. The major transit service providers are the Santa Clara Valley Transportation Authority (VTA) and the Peninsula Corridor/Joint Powers Board, which operates Caltrain. VTA provides 17 bus routes, focusing on downtown, Moffett Park, and El Camino Real, with nearly 400 bus stops. Buses have approximately 14,000 boardings and deboardings per day in Sunnyvale.

There are about 70 Caltrain daily weekday commuter train stops at the Downtown Sunnyvale Station and at the Lawrence Station. VTA buses connect to the stations, which offer rain shelters, bike lockers, and inexpensive parking to encourage ridership. There are also 1,500 light rail boardings and deboardings every work day in Sunnyvale, along a limited route running through the extreme northern part of the City, including Moffett Park.

Bicycle and Pedestrian System

Sunnyvale is one of only 80 designated Bicycle Friendly Communities across the nation, as judged by The American League of Bicyclists. The City's Bicycle and Pedestrian Advisory Committee prepared a 2006 Comprehensive Bicycle Plan which was recently adopted by the City Council. The City has worked to encourage bicycling over the past 10 years. Bicyclists now safely share Sunnyvale roads with cars on 80 miles of striped bike lanes. There are also short bike paths, exclusively for bicycle use. The regional transit systems are also bike friendly and there are multi-use paths and trails for both commuter and recreational bicycling.

Pedestrian facilities include sidewalks, off-street paths shared with bicyclists, and neighborhood and park path systems such as the Bay Trail. Sunnyvale has many wide, heavily traveled arterial streets with four to six lanes that can make pedestrian access difficult. The City has installed pedestrian countdown signals in some locations to enhance pedestrian access. Older shopping areas were built with parking lots in front, obstructing pedestrian access to the stores from curbside sidewalks. And many of the City's residential streets were built on a cul-de-sac system, which can inhibit residents from walking around their neighborhoods. Many residents live more than one-half mile from a retail area, which can also discourage walking trips.

Air Quality

Air quality in Sunnyvale is similar to all non-coastal areas of the Bay Area. In 2005, the City had one day on which ozone pollution

exceeded State standards—as did nearby cities.³⁷ Vehicles on local roads are the largest source of pollutants, especially during peak periods of congestion. The City has comprehensive air quality goals and policies to decrease air pollutants, requiring all new development to take potential pollutants into consideration, keeping new residential areas away from pollution sources, and reducing automobile emissions.

Drainage and Flooding

The City lies between Calabazas Creek on the east and Stevens Creek on the west. Elevations rise slightly from sea level at the Bay to 300 feet in the City's southwest corner. During rainy periods the two streams, along with two flood control channels, help control surface runoff. The City has an extensive storm drainage system and only 4% of land in the City is designated as in a 100-year flood plain (an area that has a 1% chance of flooding in any given year).

Wetlands Resources

Baylands Park is in the northern part of the City at the edge of the San Francisco Bay. This unique and irreplaceable natural resource comprises 70 acres of developed recreation areas and 105 acres of seasonal wetlands in a protected Wetlands Preserve. The area was once connected to the Bay through sloughs and tidal flows, but levees have since blocked off the daily tidal flows and the wetlands now receive all their water from winter rains. The grasslands are essential habitat for burrowing owls and shorebirds. These wetlands also help replenish the area's ground wells and absorb flood waters. Part of the San Francisco Bay Trail, which will eventually provide pedestrian and bicycle access along the entire Bay shoreline, goes through the Baylands Park. Since only 10% of the San Francisco Bay's wetlands remain, Baylands Park is an invaluable resource for Sunnyvale and for the entire Bay Area region.

Public Services: Our Shared Governance

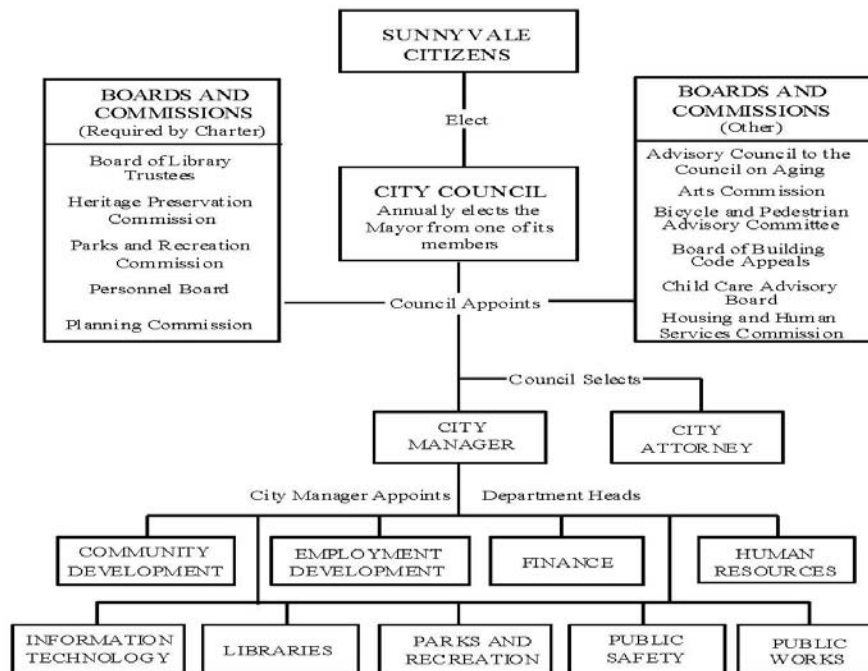
Sunnyvale residents are accustomed to—and should expect—efficient, cost-effective and reliable services. The City provides well-maintained streets, clean water and wastewater treatment, a first-rate library, beautiful parks, a wide variety of recreation programs and nationally recognized public safety services. In a 2005 survey, 89% of residents³⁸ rated the overall quality of City services as good or very good.

The City operated under a “bare bones budget” in 2005/06, which allowed it to maintain only existing services. In 2006/07, the City will need to raise \$1.7 million in additional revenue to maintain those same services.

The City Government

Sunnyvale has a Council-Manager form of government. It has proven highly effective, giving residents faith in their strong City Manager system. Citizens elect seven Council members to serve four-year terms. The Mayor and Vice Mayor are appointed by the Council. The Council also appoints the boards and commissions, and selects the City Manager and the City Attorney. The Council sets policy and the City Manager, whose role is like that of a chief executive officer, implements it. The City Manager heads nine major departments, shown in Figure 2-11. There are nearly 1,000 city employees.

Figure 2-11 – City of Sunnyvale Organizational Structure



The City Council sets policy and the City Manager implements that policy through nine departments.

Source: City of Sunnyvale

The City Council also appoints residents to serve on five boards and commissions that are required by the City Charter and that advise the Council on everything from parks to planning. The City also has six boards and commissions not mandated by Charter that advise the Council on matters such as aging, childcare, arts, and bicycle and pedestrian issues.

Community Involvement

Community engagement in City events, planning and policy is increasing and the City actively encourages a diverse cross-section of residents and businesses to get involved. A 2005 survey reported that 20% of residents volunteer in the City. In 2005, residents volunteered 22,000 hours to City projects and events—an 11% increase from the previous year. Many parents volunteer in local schools, and adults and teens are encouraged to volunteer in all City departments. A volunteer program coordinator helps make placements.

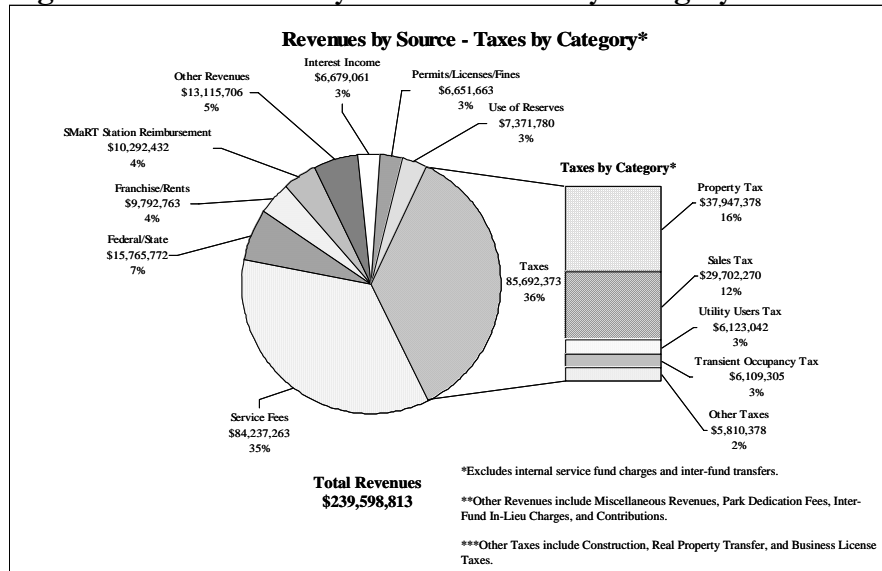
The City has nearly 20 neighborhood associations of varying strength, longevity and activity. These volunteer groups address local issues and work together to improve their neighborhoods and the City. Since 2004, there has been a formal relationship between the City and neighborhood associations and direct support for these groups. Information about these groups is now on the City website.

The City's Budget and Finances

The City of Sunnyvale has a unique and internationally recognized Planning and Management System for finance and budgeting. The budget looks ahead for 20 years. For the Fiscal Year 2006/2007, the City has an adopted total budget of about \$240 million. (Figure 2-12 shows a breakdown of revenue.) The adopted operating budget for services is about \$205 million (shown in Figure 2-13). When surveyed, City residents report that they³⁹ are confident that their tax dollars are being spent wisely by the City.

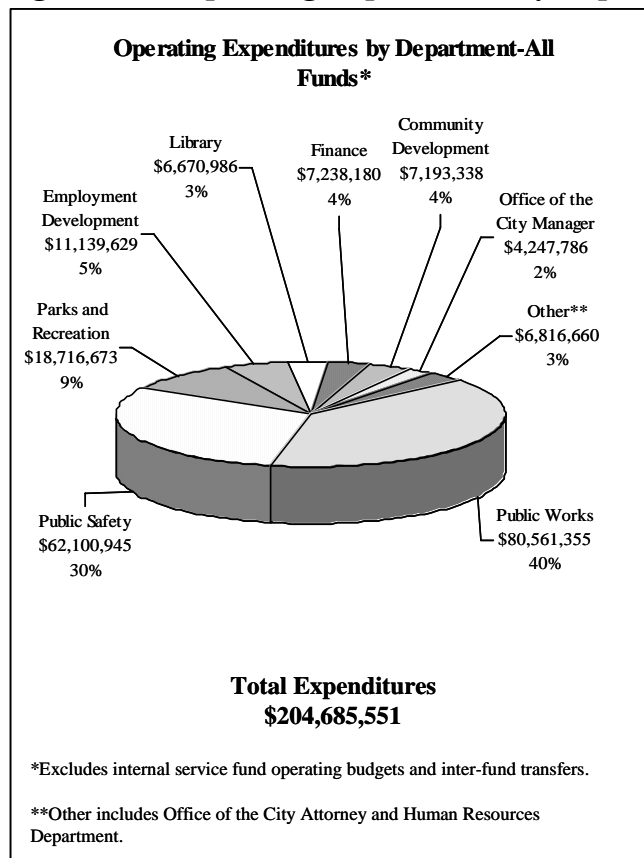
The City's budget is funded primarily from fees and taxes. Fees for services such as recreation programs, sewers, water and development permits provide 35% of revenue and are used exclusively to pay for these rendered services. Sales tax, property tax and other taxes provide 36% of total revenue. In FY 2006/2007, the City expects to⁴⁰ receive about \$34 million in property tax and \$28 million in sales tax.

Figure 2-12 – Revenue by Source – Taxes by Category*



Source: City of Sunnyvale, FY 2006/2007 Adopted Budget

Figure 2-13 - Operating Expenditures by Department – All Funds*



Source: City of Sunnyvale, Finance Department

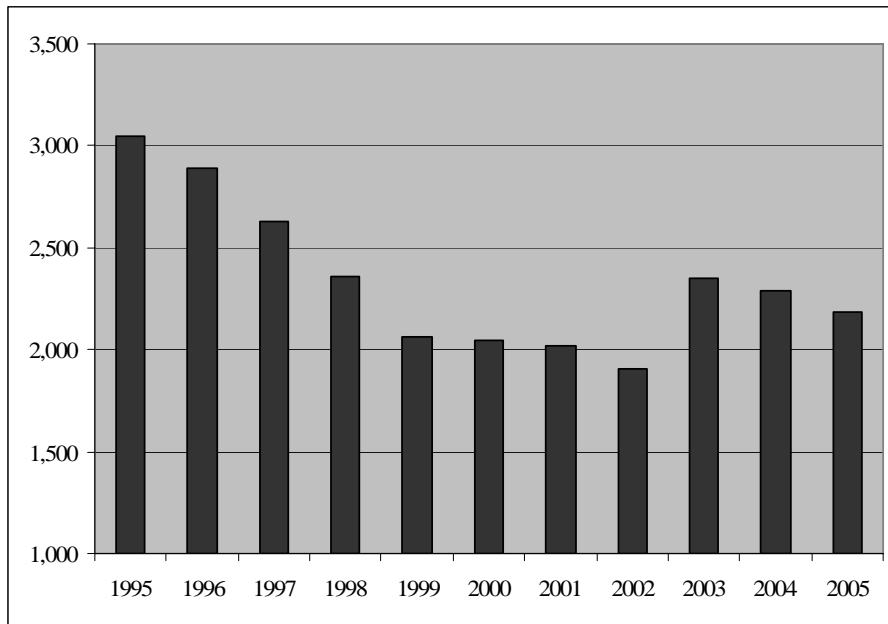
By far the largest expenditures are for public works and public safety.

The City receives one cent of the sales tax and about 13 cents of each dollar of property tax. These sources have fluctuated greatly during the boom and bust periods. The City also gets revenue from federal, State and local agencies. In an average year, about 64% of sales tax revenue is generated from consumer retail sales and 36% from business-to-business sales. During economic downturns, the City experiences dramatic drops in total sales tax revenue, especially in business-to-business sales tax. Retail sales tax revenue in Sunnyvale provides a lower percentage of General Fund revenue than in other cities of similar size. Sales and property tax revenue are critically important because they support city services such as libraries, parks and police. The City's revenues have now stabilized, although they are lower than the previous base level.

Public Safety

The City of Sunnyvale is unique in that it has a combined Police and Fire department. Since 1950, the Sunnyvale Department of Public Safety (DPS) has provided citizens with both Police and Fire services. It is one of only ten unified departments in the nation to offer this innovative concept. Each of the 210 sworn Officers at DPS is highly trained to perform the functions of both police officer and firefighter. They respond to approximately 100,000 calls for service a year.

The integration of police and fire functions allows the City to offer services at a far lower cost. It is also highly effective. Not surprisingly, more than 90% of surveyed residents are satisfied with the Department's services. The City of Sunnyvale is proud to rank among the safest cities in the nation. In 2005, Sunnyvale had the 4th lowest crime rate for cities of its size in the State of California. Although many local cities have experienced increases in crime rates, Sunnyvale has been able to maintain a low crime rate. According to 2005 FBI data, Sunnyvale's crime rate is approximately 25% lower than the crime rates of both the City of Mountain View and the City of Santa Clara.

Figure 2.14 – Crime Totals by Year

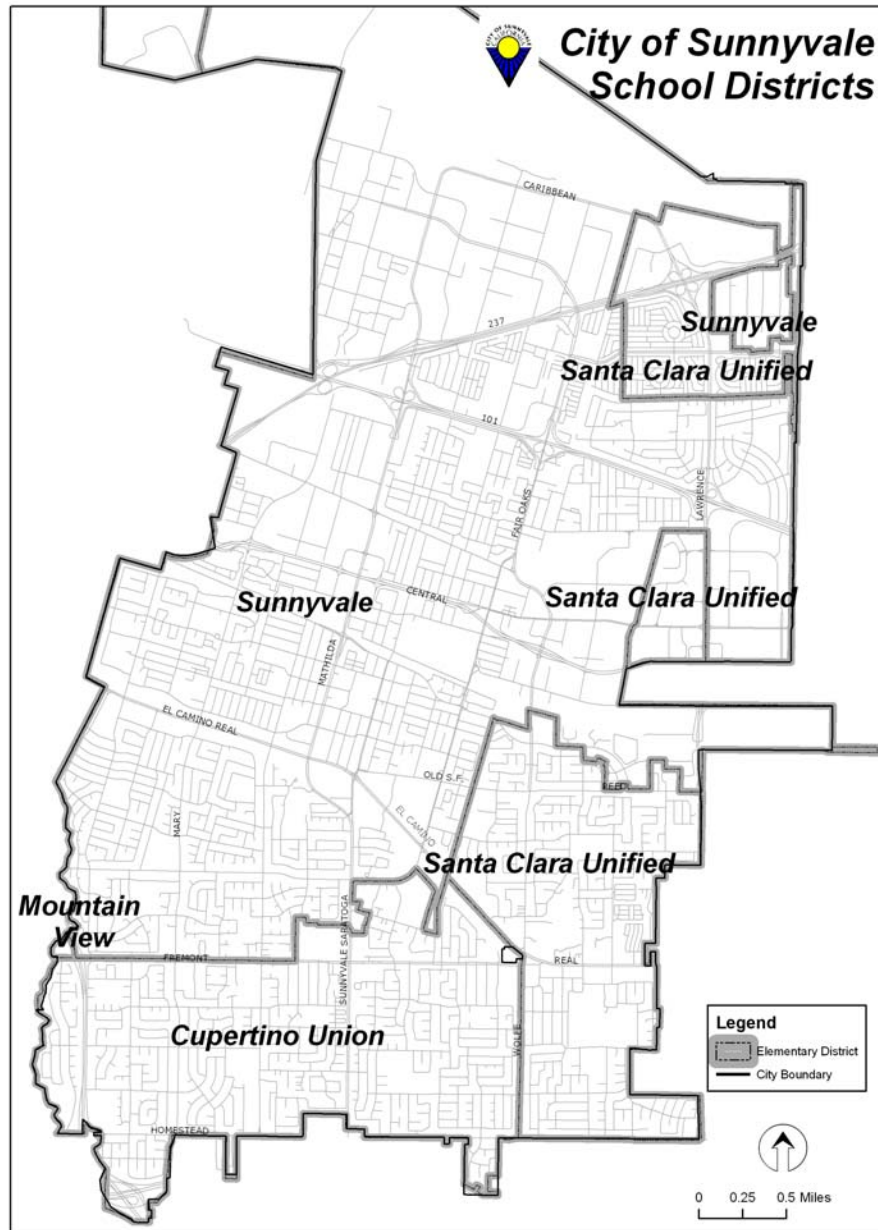
Source: City of Sunnyvale, Public Safety Department

There are six fire stations strategically located within the community to ensure a quick response to fire and emergency medical calls. A comprehensive fire prevention program focuses on reducing fire incidence through inspection of all commercial and high hazard facilities in the City. There are very few serious fires each year, resulting in an excellent fire insurance rating for the City and low insurance rates for both residents and businesses.

Schools and Education

Under State law, responsibility for public education rests not with the City of Sunnyvale, but with the public school districts which serve Sunnyvale. Children in the City of Sunnyvale attend schools in four different school districts: Sunnyvale, Santa Clara, Cupertino and Fremont Union High School. Figure 2-15 shows the borders for the districts. Sunnyvale children attend 13 public elementary schools, four public middle schools, and two public high schools. Only the Sunnyvale School District is entirely within the boundaries of Sunnyvale, with 6,000 children in two preschools, one alternative school, eight elementary schools and two middle schools.

Figure 2-15 - School Districts



Source: City of Sunnyvale and Sunnyvale School District School Facility Needs Study, 2004.

The total number of students in public schools has remained stable for the past 10 years. Figure 2-16 shows historical enrollment in the Sunnyvale School District. As the City grows in population, more schools may be needed. A recent School Facility Needs Study conducted by the City and the Sunnyvale School District indicated a long-term need for another elementary school and middle school. In

the short term, enrollment increases could be addressed by modifying attendance boundaries or by using modular classrooms.

Figure 2-16 - Sunnyvale School District Enrollment

Year	Total Number of Students
1993-1994	5,766
1994-1995	5,785
1995-1996	5,896
1996-1997	5,923
1997-1998	6,077
1998-1999	7,022
1999-2000	5,875
2000-2001	5,951
2001-2002	5,854
2002-2003	5,931
2003-2004	5,960

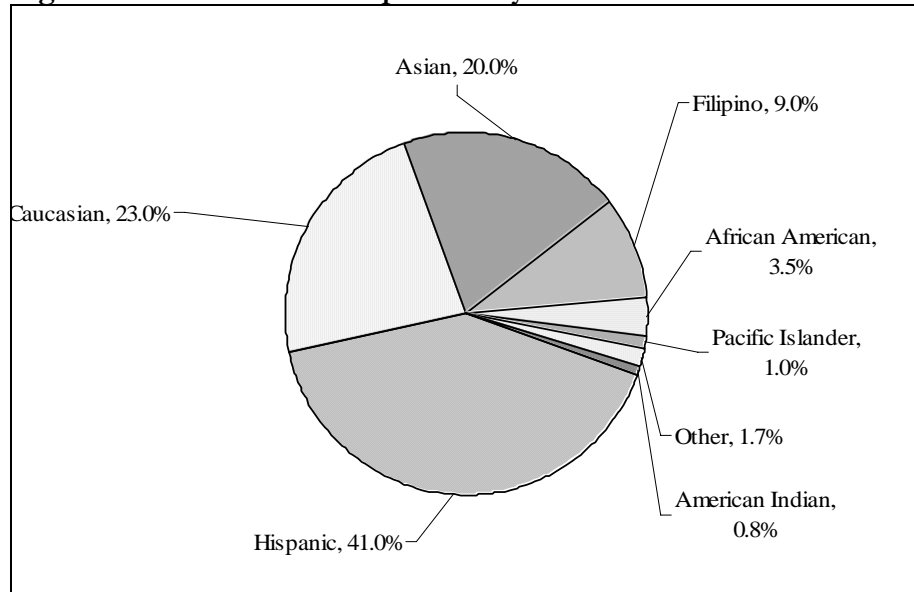
Sunnyvale School District enrollment has been steady during the past decade.

Source: California Basic Education Data Systems

As shown in Figure 2-17, the Sunnyvale School District has no ethnic majority. Fifty-five percent of the students speak a language other than English at home.

Figure 2-17 - Ethnic Makeup of Sunnyvale School District Schools

The ethnic makeup of Sunnyvale schools varies across the City.



Source: Sunnyvale School District.

Student scores are well above the national average. The schools receive strong support from parents, and from Sunnyvale corporations such as AMD and Juniper Networks. However, student performance varies across schools and Districts. In the Fremont Union High School District in 2004, 71% of students took college preparatory courses, while at Santa Clara Unified, only 36% did. In 2005, only 3.2% of Fremont Union High School students dropped out, while in the Santa Clara Unified School District, 11.4 dropped out.

2005 data shows the following percentages of English learners:

- Cupertino Union Elementary School District, 11.6%
- Sunnyvale Elementary School District, 34%
- Fremont Union High School District, 9.5%
- Santa Clara Unified School District, 25%

Parks and Recreation

Sunnyvale is proud of its beautiful parks. About 745 acres, or 7% of the City's land, is devoted to open space facilities owned or maintained by the City for public uses, including neighborhood and regional parks, athletic fields, and golf courses. This includes 25 City-owned tennis courts (16 at the Tennis Center). The City owns and operates 143 acres of playfields, and through a partnership with three school districts, improves and maintains an additional 118 acres of

playfields on school property for public use. The community can now use nearly 40 baseball and soccer fields on school grounds after school hours. The City recently completed the 1.5-mile Calabazas Creek Trail, a pedestrian and bicycle trail between U.S. 101 and Route 237. The trail allows residents to connect to the 400-mile San Francisco Bay Trail, 3.45 miles of which are within Sunnyvale.

Other outdoor community recreational amenities include:

- The 18,500 square-foot skatepark at Fair Oaks Park, which, opened in 2003 and is free to the public.
- The Sunnyvale Baylands Park, a 177-acre regional park located at Highway 237 and Caribbean Drive, including areas for children, walking paths, picnic areas, an outdoor amphitheater, and 100 acres of undeveloped wetlands for wildlife.
- The half-acre dog park at Las Palmas Park, the only place in the city where dogs may run unleashed.
- Two major golf courses, the 18-hole Sunnyvale Golf Course and the 9-hole Sunken Gardens.
- A 50-meter swimming pool, built in 2002 at Fremont High School in partnership with the Fremont Union High School District and the community.

Culture, Art, and History

The Sunnyvale Community Center offers a 200-seat theater, a recreation center, indoor sports center and an arboretum. A new Historical Museum is under construction. Community members flock to citywide events like Hands on the Arts and the Fourth of July celebration, as well as popular recreation classes and programs. The Community Center Theater hosts two resident theater companies, producing many children's productions and Sunnyvale's Summer Repertory.

The 23,000 square foot Senior Center, which opened in 2003, hosts many cultural activities for seniors and has rooms for large events. A wide range of recreation programs for school-age children is available on school campuses, at the Community Center, and in the parks. Summer Recreation programs for children of all ages are popular. The City also offers adult sports leagues and drop-in gym programs and art classes throughout the year. The City supports additional annual events sponsored by the Sunnyvale Chamber of Commerce and Sunnyvale Downtown Association, such as the Art and Wine Festival, Summer

Music Series, and the Holiday Tree Lighting. More than 80% of Sunnyvale residents rate recreation programs and activities in the City as good or very good. And nearly 90% rate the condition of community facilities and parks maintenance as good or very good.

The Public Library

Sunnyvale residents love and frequent the Library, which offers a broad spectrum of materials and services designed to meet the needs of a busy and diverse community. The Sunnyvale Public Library is one of the busiest in the State. Among the materials available to check out are books, magazines, recorded books, CDs, and DVDs for all ages, appealing to a diversity of tastes and interests. Children's materials are highly used, an indication of the community's strong interest in early childhood literacy and education. The Language Collection reflects the variety of cultures and ethnicities found in the Sunnyvale community. The Library caters to the large professional and business community as well, offering a strong collection of business, technology, and intellectual property materials. The Sunnyvale Public Library supports the concept of lifelong learning which is heartily embraced by the community.

The population in Sunnyvale has grown beyond projections for the current library facility. In preparation for the future, the City of Sunnyvale is conducting a study to address community needs for library services over the next 20 years.

Water Supply

The City provides high-quality water service to residents and businesses. The City funds water services through user and service fees, not taxes. The fees for water services also cover capital improvements and maintenance. The City closely monitors the water quality of its wells and all water it purchases for compliance with State and federal water quality requirements. Sunnyvale receives water from five sources:

- San Francisco Public Utilities Commission (SFPUC) provides potable water from Hetch Hetchy and Sunol Valley (43% of City residents). This water is disinfected with chloramine and is fluoridated at the Sunol Valley Water Treatment Plant.
- Santa Clara Valley Water District (SCVWD) provides potable water from San Luis Reservoir, the Sacramento/San Joaquin Delta and the Del Vele Reservoir, supplemented from local reservoirs during high demand (Anderson, Coyote and Calero

Reservoirs) (40%). SCVWD disinfects with chloramine, but does not fluoridate the water.

- Nine wells provide groundwater to supplement other supplies during peak months and for emergencies (5%). Well water enters the system free of bacteria and is not disinfected.
- The Sunnyvale Water Pollution and Control Plant provides recycled water for non-potable use (8%). Recycled water is available only in the northern third of the City, with most of it used for irrigation of landscaping, parks and golf courses, as well as decorative water features.
- Several small pockets of City residents receive water service from the California Water Service Company (Cal Water) (4%). The City does not monitor or have any control over the water service provided by Cal Water, which provides water under a contract directly with the customers that predates annexation of these areas to the City.

Wastewater Collection and Treatment

The City owns a Water Pollution Control Plant that treats wastewater from residences and businesses and safely discharges it to the San Francisco Bay. The plant has a capacity of 29.5 million gallons per day, which is far in excess of current waste water volume.

Solid Waste and Recycling

Sunnyvale provides a broad range of solid waste management services to its residents and businesses by way of a municipal solid waste utility funded by refuse collection charges, sale of recyclable materials and other enterprise fund revenues. No tax dollars are used to fund this utility. The three most costly service components are collection of solid waste and recyclables, operation of the \$25 million Sunnyvale Materials Recovery and Transfer Station (SMaRT Station®) that serves Sunnyvale, Mountain View and Palo Alto, and landfill disposal of SMaRT Station® residues, all of which are provided by private companies working under contract with the City.

Services provided by the City include source reduction programs (e.g. home composting workshops and compost bins), collection of recyclables, yard trimmings and garbage, recovery of recyclable materials from the garbage delivered to the SMaRT Station®, disposal of non-recycled residues at a landfill in San Jose, periodic household and small business hazardous waste disposal events, and maintenance of the closed Sunnyvale Landfill, which took the City's refuse from

the 1920's through 1993. Bacterial decomposition of the waste in the closed landfill continues to generate methane gas, which is turned into electricity which partially powers the adjacent Water Pollution Control Plant. State calculations show that the City's recycling programs are diverting from landfill 61% of the waste generated in Sunnyvale.

Chapter III: Sunnyvale in the Future - Developing a Shared Vision

This chapter discusses projections for the future of Sunnyvale. What challenges and opportunities are on the horizon? What policies and actions should we take to ensure the City meets the needs of all its residents and businesses? What regional, State, national and global economic forces are pushing for change and how might those trends affect the City? Should the City respond to any or all of these trends and, if so, how?

As the previous chapter showed, residents and businesses find Sunnyvale a quality city in which to live and work. Sunnyvale offers attractive neighborhoods, prize-winning parks and a high level of City services. Residents are centrally located near world-class research centers and the country's most innovative, cutting-edge companies. Sunnyvale was recently named the second most inventive town in America by *The Wall Street Journal*.⁴³ And perhaps most importantly, Sunnyvale is fortunate to have residents, businesses and leaders who take pride in the City and want to preserve its strengths while planning for an even stronger future.

The overall attractiveness of Sunnyvale as a place to live and do business is one of the forces pushing continued growth and change in the City. Attractiveness is obviously a two-sided attribute. On the positive side, it brings the City a broad mix of high-value jobs, an increased tax base to provide services, new people with new ideas from a variety of backgrounds and cultures, and an overall dynamic quality that encourages vitality and spirit. Change is better than atrophy! However, on the negative side, change that is too great and too rapid can be disruptive, causing stress and creating congestion. More people and more jobs bring more cars, greater demand for services, and more competition for limited space and resources. Too much of a good thing might be too much!

History has shown that the one constant in Sunnyvale over the past century has been growth and change. As each cycle of change occurred, Sunnyvale adapted and prospered. Sunnyvale has been always innovative.

It is clear that there will be more changes in the years ahead. How can the City position itself to continue to thrive on this change? How can it preserve its quality of life, and utilize change to improve upon it?

Change is inevitable. *How* the City changes is largely dependent upon the will and the energy of its people.

Projections for the Future

Projections, by their very nature, are extensions of the past and the present into the future. An objective projection does not take into account desires and aspirations, but predicts the future based upon observable trends.

Visioning, on the other hand, is value-based. It describes a future that is not necessarily the most probable, but the most desirable. Rational visioning, however, takes into account the reality of current trends, so that it does not drift into the realm of fantasy. Sunnyvale is now engaged in the process of visioning. Review of current projections is a first step to inform the visioning process.

Most projections in the Bay Area are produced by the Association of Bay Area Governments (ABAG), the agency charged with planning for the future of our region. Their projections are both economic and demographic, and they are developed for the region as a whole, for counties within the region, and for individual cities. They are based upon, and consistent with statewide projections prepared by the State Department of Finance.

ABAG predicts continued growth for the City of Sunnyvale, but at a lower and more stable rate than in the recent past. By 2025, Sunnyvale could grow by about 13%, adding 19,500 residents and reaching a population of 152,500.⁴⁴ The entire Bay Area is feeling the pressures of growth: there will be 1 million more people here by 2020. California will remain the most populous state, adding 12 million people by 2030, a 37% growth rate.

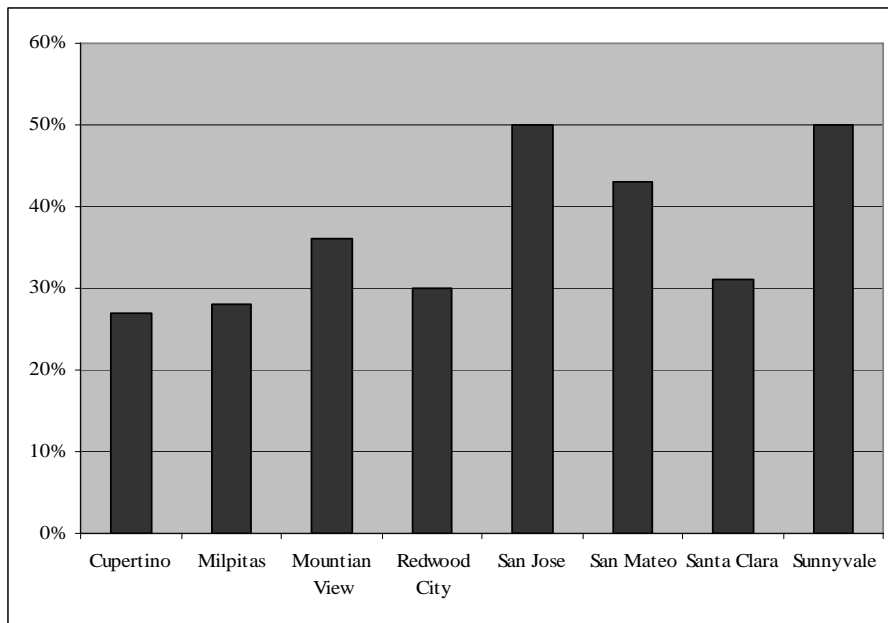
The median age of Sunnyvale residents will increase from 35 to 40 by 2025, consistent with the national trend. In the U.S., seniors 65 and older will be almost 20% of the population by 2030, according to the Center for Disease Control. ABAG predicts that the Bay Area will feel this aging even more than other regions, placing a strain on social and health services.

Jobs in Sunnyvale are expected to increase by 50% by 2025, adding about 37,000⁴⁵ new jobs. This is 12,000 more jobs than existed during the recent dot com bubble. Given that the City experienced a 7% growth in jobs during the past 20 years (1980-2000), the projected

50% increase in jobs over the next 20 years might be considered optimistic.

Sunnyvale's projected job growth rate is higher than all other cities in Santa Clara County, except San Jose—and higher than the City's population growth rate. If job growth exceeds population growth, Sunnyvale will continue to rely on workers commuting here from other areas. Figure 3-1 shows projected job growth rates in Sunnyvale, compared with other cities.

Figure 3-1 - Projected Job Growth Rates



Sunnyvale's projected employment growth rate is matched only by San Jose.

Source: City of Sunnyvale, Workforce Capacity and Demand Analysis, Table 15, page 41

As a key player in the world's premier knowledge-based economy, Sunnyvale is in a good position to capitalize on new industries as they emerge. According to ABAG, Sunnyvale can expect to see the most economic growth in the next few years in professional and business services (computer system design and scientific R&D), information services (especially Internet service providers), and education and health services. The City may also attract new convergence technology—companies that combine biotechnology, information technology and nanotechnology. In addition, the aerospace and defense sectors may improve due to increased defense spending. Figure 3-2 shows job projections by economic sector.

Every sector except agriculture will see significant job growth through 2025.

Figure 3-2 - Sunnyvale Job Projections by Economic Sector

Industry	2005	2025	2005-2025			
			Difference	% Change	Growth Rate/Year	% Total
Agriculture and Natural Resources	90	80	-10	-11.0%	-60.0%	0.0%
Manufacturing, Wholesale, and Transportation	35,700	52,980	17,280	48.0%	2.0%	47.0%
Retail	6,280	9,310	3,030	48.0%	2.0%	8.0%
Financial and Professional Services	13,200	20,000	6,800	52.0%	2.1%	18.0%
Health, Education, and Recreation Services	11,180	16,800	5,620	50.0%	2.1%	15.0%
Other	8,110	12,350	4,240	52.0%	2.1%	11.0%
Total	74,560	111,520	36,960	50.0%	2.0%	100.0%

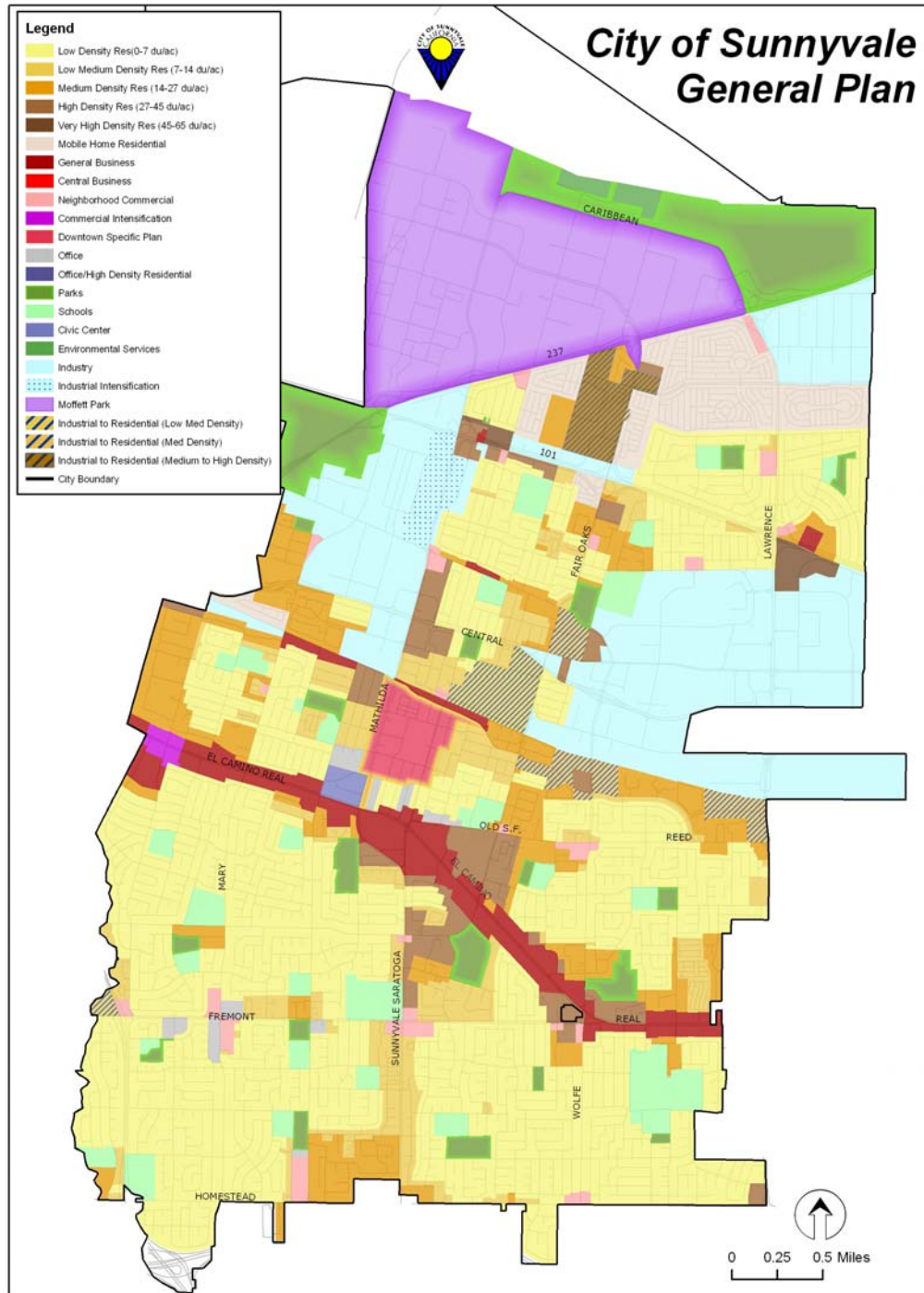
Source: Association of Bay Area Governments Projections 2005

Sunnyvale's General Plan

Most cities prepare a plan for their community's future. Sunnyvale's plan, the General Plan, is a set of long-term goals and policies that guide local government decisions. The Sunnyvale General Plan is broader than a traditional General Plan that focuses only on land development decisions; it includes goals and policies on services and governance as well. The physical plan, contained primarily in the Land Use and Transportation Element (see General Plan Map on page 39) is used to prepare plans for fire, library, open space, police, recreation, sewer, water, and other infrastructure and services. The challenge of the General Plan is to establish the appropriate mix and balance of land uses to fulfill the community's vision for its future.

The current version of the Land Use and Transportation Element of the General Plan was adopted by City Council in November, 1997, and has been amended several times since. It prescribes the location and intensity of various land uses throughout the City. As such, it establishes the ultimate "build-out," or maximum size for the City. The visioning process is not bound by the current General Plan or the build-out it establishes. Indeed, the Community Vision, once created, will guide the preparation of the next version of the General Plan. Nonetheless, the Plan is the current official policy of the City. Therefore, a comparison of the aforementioned projections with the build out of the existing General Plan is instructive.

Figure 3-3 - Sunnyvale General Plan Map



Source: City of Sunnyvale

If all properties in the City were to develop in accordance with the General Plan, the City could accommodate a total of 64,000 housing units, about 8,000 more than exist in July 2006. If one assumes a future average household size equal to the present 2.49 person per household, the built-out City could hold a population of 159,360. Comparing this to the ABAG 2025 population projection of 152,500 reveals that the City could accommodate its projected population growth under the current General Plan.

One important factor must be kept in mind when considering likely and/or desirable population growth. The State of California requires all cities in the State to plan for their fair share of growth. The population projection for the Bay Area is prepared by the State. The State then requires the Bay Area's regional planning body, ABAG, to allocate that population growth to each City based upon a "fair share formula" developed by ABAG. For the period from January 1999 to June 2006, the allocation to Sunnyvale required it to plan for 3,832 new housing units. Although the City appropriated zoned land to accommodate this number of new units, applications for only 2,555 units were received, and all applications were approved. ABAG is now preparing its fair share formula for allocating projected regional population growth over the next five years. Again, Sunnyvale will be required to plan for the number of new housing units allocated to it.

With regard to commercial and industrial space, the General Plan would accommodate a total of 49 million square feet, about 14 million square feet more than exists in July 2006. At today's intensity of building use, this would yield a total of about 160,000 jobs. When this figure is compared to the ABAG 2025 projections of 111,520 jobs for the City, it is apparent that Sunnyvale has more than adequate capacity for projected job growth.

The General Plan also provides sufficient area designated for retail uses to support the population at build-out. At present, however, Sunnyvale lacks sufficient retail development to serve its current population. This is evidenced by the fact that retail sales value in the City is \$9,364 per capita, compared to \$9,976 per capita for Santa Clara County as a whole. Sunnyvale residents must travel to adjacent cities to do some of their shopping, particularly for clothing, furniture and specialty goods.

Infrastructure to Support Sunnyvale of the Future

Infrastructure consists of the physical systems that support urban life. It includes streets and highways, utilities, and water and sewer systems. As the City changes and grows, so must its supporting infrastructure.

Fortunately, Sunnyvale has planned well for its future infrastructure needs. Again, the General Plan is the guide. The Transportation Strategic Program, adopted by the City Council in 2003, evaluated traffic impacts associated with the full build-out of the General Plan and identified major transportation facility improvements required to maintain a smooth flow of people and goods. The cost of needed improvements was estimated, and Traffic Impact Fees were established to cover the City's share of the cost of such facilities. These impact fees are paid by all major development in the City, so that as development occurs, the City obtains the necessary funding to provide transportation improvements to accommodate that development.

Similarly, the City has adopted a Park Impact Fee Program, through which residential developments are required to pay fees to support improvements to park and recreation facilities needed to support them. School Impact Fees paid primarily by residential development also exist, with a maximum fee set by State mandate. The fee level set by the State may be sufficient to pay for needed new school construction in outlying suburban and rural areas, but is inadequate to meet the high land and construction costs in more urban areas like Sunnyvale.

New development also pays Sewer Connection Fees, which are designed to provide the resources necessary to expand the capacity of the sanitary sewer system to meet the demand imposed by new development. Sunnyvale's Water Pollution Control Plant, designed to serve high demand industries of the past, such as canneries, has more than sufficient capacity to meet today's needs and the projected needs at General Plan build-out. The problem with the Plant is not capacity, but age. As the Plant reaches the end of its useful life, the City is studying whether it should be modernized and repaired, or replaced. This major investment will be required even if the City develops no further.

Sunnyvale's water supply system is adequate to meet projected growth of the City. Future water supply also appears sufficient. Current improvements to the San Francisco Water System (Hetch Hetchy)

provide for an approximate 5% increase in future supply to Sunnyvale. In addition, the City has the ability to approximately double its supply from groundwater through the drilling of additional wells.

Developing a Vision

As the community looks to the future, what are our shared values? What attributes of the City should be maintained or strengthened? What are the most significant challenges? What do we expect of our City government?

During the next few months—culminating in the October Vision Festival—the City, residents and businesses will be asking and answering tough questions to guide development of a shared vision. Here are a few to ponder:

- How should we accommodate the anticipated population and job growth?
- Is it important to have a balance of jobs and housing within City boundaries—or within County boundaries?
- Should we make special efforts to preserve existing neighborhoods?
- Should we pursue specific types of industries and jobs—what should Sunnyvale’s role be in the regional economy?
- What should we expect businesses to contribute to Sunnyvale?
- What kinds of shopping opportunities are needed to serve those who live and work in Sunnyvale?
- How can we best take advantage of existing infrastructure to keep costs down?
- Should we maintain the existing level of City services, expand some or reduce some?
- Should we strengthen community identity as distinct from the region?
- How can we celebrate diversity while building a community that is united in purpose and direction?
- Should we try to provide support to individuals and families in our community who cannot fully support themselves?

- Do we need to provide more opportunities for artists and cultural activities?
- Is it important for residents to have walking access to a park?
- To what extent should the City become a regional player in protecting air quality, reducing greenhouse emissions, conserving energy and reducing runoff into streams and the Bay?

The entire community is invited to participate in developing Sunnyvale's shared vision of the future.

Key Reference Documents

The following are key reference documents used in the preparation of this report. These documents are available at the Sunnyvale Public Library (665 W. Olive Avenue) and the Sunnyvale City Hall (456 W. Olive Avenue).

- Association of Bay Area Governments Projections 2005
- City of Sunnyvale Community Development Strategy, February 2003
- City of Sunnyvale Consolidated Plan 2005-2010, May 2005
- City of Sunnyvale Downtown Specific Plan, October 2003
- City of Sunnyvale Land Use and Transportation Element, November 1997
- City of Sunnyvale Moffett Park Specific Plan, April 2004
- City of Sunnyvale Transportation Strategic Program, November 2003
- City of Sunnyvale and Sunnyvale School District School Facility Needs Study, 2004
- Sunnyvale Workforce Demand and Capacity Analysis, September 2006
- 2000 U.S. Census

Endnotes

- ¹ U.S. Census Bureau, 2000 Census
 - ² California State Department of Finance 2006 Estimates
 - ³ U.S. Census Bureau, 2000 Census
 - ⁴ California State Department of Finance 2006 Estimates
 - ⁵ California State Department of Finance, City/County Population and Housing Estimates, 1991-2000
 - ⁶ U.S. Census Bureau, 2000 Census
 - ⁷ Sunnyvale Workspace Demand and Capacity Analysis, Figure 3-1
 - ⁸ U.S. Census Bureau, 2000 Census
 - ⁹ City of Sunnyvale Community Development Strategy, p. 5
 - ¹⁰ City of Sunnyvale Consolidated Plan 2005-2010, Chapter 3-2
 - ¹¹ U.S. Census Bureau, 2000 Census
 - ¹² Center for Disease Control web site
 - ¹³ U.S. Census Bureau, 1990 and 2000 Census
 - ¹⁴ *The Innovation Economy, Protecting the Talent Advantage*, based on the U. S. Census Bureau data, ABAG report February 2006
 - ¹⁵ City of Sunnyvale Community Development Strategy, p. 4
 - ¹⁶ City of Sunnyvale Consolidated Plan 2005-2010, Chapter 3-8, Table 3-8, Sunnyvale Population Racial/Ethnic Characteristics
 - ¹⁷ U.S. Census Bureau, 2000 Census.
 - ¹⁸ *The Innovation Economy, Protecting the Talent Advantage*, based on the U. S. Census Bureau data, ABAG report February 2006
 - ¹⁹ U.S. Census Bureau, 2000 Census
 - ²⁰ City of Sunnyvale Consolidated Plan 2005-2010, Chapter 3-8 and U.S. Census Bureau, 2000 Census
 - ²¹ Sunnyvale Workspace Demand and Capacity Analysis, p. 3
 - ²² ABAG, Projections 2005
 - ²³ ABAG, Projections 2005. Note: The City of Sunnyvale business license database shows that there are 75,653 jobs in the City as of September 2006. This number does not include public service employees or financial institutions that are exempt from obtaining a business license under State law. The State of California Employment Development Department Labor Market Information Division estimates that Sunnyvale as 89,899 jobs as of June 2006. The estimate of 75,000 jobs in 2005 by ABAG is utilized in this report for consistency and comparative purposes, since the job projections for the City were prepared by ABAG.
 - ²⁴ ABAG, Projections 2005
 - ²⁵ Cornish & Carey 2006 Market Summary, Silicon Valley/South Bay
 - ²⁶ City of Sunnyvale Program Measure 2004-2005
 - ²⁷ City of Sunnyvale Community Development Strategy, p. 13
 - ²⁸ U.S. Census Bureau, 2000 Census
 - ²⁹ City of Sunnyvale Community Development Strategy, p. 12
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³⁰ City of Sunnyvale Vacancy and Rent Survey, June 2006 (as reported in Report to Council No. 06-228, July 25, 2006)

³¹ U.S. Census Bureau, 2000 Census

³² City of Sunnyvale Community Development Strategy, pp. 13-14

³³ City of Sunnyvale Community Development Strategy, p. 12

³⁴ City of Sunnyvale Community Development Strategy, p. 9

³⁵ City of Sunnyvale Moffett Park Specific Plan

³⁶ U.S. Census Bureau, 2000 Census

³⁷ Bay Area Air Quality Management District, Spare the Air web site

³⁸ City of Sunnyvale 2005 Resident Satisfaction Survey, p. III

³⁹ City of Sunnyvale 2005 Resident Satisfaction Survey, p. II

⁴⁰ City of Sunnyvale Fiscal Year 2006-2007 Adopted Budget

⁴¹ Kidsdata.org, Facts by Region, Sunnyvale Education

⁴² Kidsdata.org, Facts by Region, Sunnyvale Demographics

⁴³ City of Sunnyvale News Release 7-13-6, "Sunnyvale One of the Most Inventive Towns in the U.S."

⁴⁴ ABAG, Projections 2005

⁴⁵ ABAG, Projections 2005



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